GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3311
ANSWERED ON:11.08.2000
CREDIT RATIO BETWEEN AGRICULTURE AND FOOD PROCESSING SECTOR
ASHOK NAMDEORAO MOHOL

Will the Minister of FINANCE be pleased to state:

(a) whether there is a gap of credit ratio between agriculture and food processing sector;

(b) if so, the details thereof; and

(c) the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR):

(a) to (c) Reserve Bank or India (RBI) has reported that advances by banks to agricultureas well as the food and agro-processing sector are reckoned as priority sector advances. As per the extent guidelines issues by RBI, public sector banks are required to lend 40 percent of their net bank credit to the priority sector with sub-targets of 18 percent and 10 percent to agriculture and the weaker sections respectively. However, there are no such specific targets for advances to the food processing sector.

The outstanding agricultural advances as well as advances to food processing sector of public sector banks, as reported by RBI, as on the last reporting Friday of March 2000, were as under:

(Rs.in crores)

Outstanding Agricultural Advances	46190
Loans to agro industries under the SSI sector	1310
Loans to food and agro processing sector (other than SSI)	3272

(Data Provisional)